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**NORTH CAROLINA  
DEPARTMENT OF COMMERCE**

Beverly E. Perdue, Governor

J. Keith Crisco, Sr., Secretary

December 21, 2011

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
Room TW-204B  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: CC Docket 96-45 and 00-256  
Randolph Telephone Membership Corporation  
Certification under 47 U.S.C. 254 (e)  
(NCUC Docket No. P-61, Sub 102)

Dear Ms. Dortch:

On September 2, 2011, Randolph Telephone Company (Randolph), an incumbent local exchange company (ILEC) in North Carolina, filed a Petition with the North Carolina Utilities Commission (NCUC) for Authority to Discontinue Provision of Service to its customers in the Liberty, North Carolina exchange. This Petition requested authorization from the NCUC allowing Randolph to discontinue its provision of service in connection with the dissolution of Randolph and the transfer to Randolph's corporate parent, Randolph Telephone Membership Corporation (RTMC), of all of Randolph's assets. On November 22, 2011, the NCUC issued its Order approving the discontinuance of service by Randolph and the transfer of its assets and the right and obligation to provide service in the Liberty exchange to RTMC (a copy of that Order is attached). Randolph, the ILEC, received approval from the NCUC for designation as an eligible telecommunications carrier (ETC) in the Liberty exchange on December 15, 1997. As a telephone membership corporation, RTMC is exempt from regulation by the NCUC as a public utility pursuant to N.C.G.S. 62-3(23)d and N.C.G.S. 117-35. On December 17, 1997, the NCREA designated RTMC as an ETC in its designated service areas pursuant to 47 U.S.C. Section 241(e).

The dissolution of Randolph and transfer of assets is scheduled to occur at 11:59 p.m. on December 31, 2011. Thereafter, RTMC will be the ILEC serving the Liberty exchange. Pursuant to 47 CFR §54.207, effective as to that date the NCREA will revise RTMC's service area to

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Ms. Marlene Dortch  
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include the Liberty exchange and will designate RTMC as an ETC for the Liberty, North Carolina, exchange. Because this is a consolidation of study areas under common control, we conclude that an FCC study area waiver is not required.

In connection with 47 U.S.C. 214(e), and certain provisions of the FCC's May 8, 1997 Report and Order on Universal Service issued in Docket No. 96-45, the NCREA notifies the FCC that Randolph should be allowed to transfer universal service provider responsibilities for the Liberty exchange to Randolph TMC.

If you or your staff have any questions regarding this matter, or require any further documentation, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Frances Liles", is positioned above the printed name.

Frances Liles  
Administrator – NCREA

Attachment

CC: Mr. Ed Finley – Chairman, NCUC (without attachment)  
Mr. Dan Higgins – Attorney, Randolph and Randolph TMC (without attachment)  
Mr. Frankie Cagle – General Manager, Randolph and Randolph TMC (without attachment)  
Mr. John Garrison, Director – NCUC Public Staff (without attachment)  
Mr. Calvin Duncan – Chairman, NCREA

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STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

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DOCKET NO. P-61, SUB 102

In the Matter of  
Petition of Randolph Telephone ) ORDER AUTHORIZING DISCONTINUANCE  
Company For Authority To ) OF SERVICE AND TRANSFER OF ASSETS  
Discontinue Provision of Service And ) OF RANDOLPH TELEPHONE COMPANY  
Notice of Plan of Dissolution )

BY THE COMMISSION: On September 2, 2011, Randolph Telephone Company (Randolph), through counsel and pursuant to G.S. 62-118 and Commission Rules R21-1, *et seq.*, filed a Petition for Authority to Discontinue Provision of Service (the Petition). By its Petition Randolph requested authorization from the Commission allowing Randolph to discontinue its provision of service to the public, in connection with the dissolution of Randolph and the transfer to Randolph's corporate parent, Randolph Telephone Membership Corporation (RTMC), of all of Randolph's assets. Coincident with such discontinuance of service as the incumbent local exchange carrier (ILEC) in the Liberty exchange, Randolph will dissolve as provided for by law, and transfer to RTMC: (1) all assets within the Liberty, North Carolina exchange currently owned and operated by Randolph, and (2) the right and obligation of Randolph to serve its existing customers within the Liberty exchange. Randolph also requested that the Commission grant any additional authority necessary to accomplish the dissolution and transfer described in the Petition.

On September 12, 2011, the Commission issued its Order Requiring Customer Notice. That Order set a public hearing for October 13, 2011 in Liberty, North Carolina, but provided that this matter could be determined without evidentiary hearing if no significant protests were received subsequent to customer notice. The Commission also required that any party wishing to intervene in this docket file a petition to intervene no later than September 30, 2011.

On September 23, 2011, Randolph filed its Certificate of Service with the Commission certifying that the Commission's required Notice to Customers was mailed on September 16, 2011, within the time required by the Order Requiring Customer Notice. On September 30, 2011, Randolph filed an Affidavit of Publication, reflecting that the required Notice to Customers was published in a newspaper of general circulation in the Liberty exchange on September 18, 2011 and again on September 25, 2011.

No person or entity petitioned to intervene in this docket. The only response to the Notice to Customers was a letter complaining about the price of Randolph's digital subscriber line (DSL) service and a request that the Commission "require RTC to provide cost-effective DSL service without the additional cost of the land line . . . [and] that the cost of DSL be reduced to be in line with other carriers." DSL service is a

broadband service which, by law, the Commission does not regulate; and neither the availability nor the pricing of that service are subject to the Commission's jurisdiction.

On October 3, 2011, Randolph filed a Motion to Cancel Hearing, and on October 6, 2011, the Commission issued its Order Canceling Hearing.

On the basis of the Petition and other matters of record in this docket, the Commission makes the following:

### **FINDINGS OF FACT**

1. Randolph is a North Carolina corporation, authorized to do business in the State of North Carolina as a public utility.

2. RTMC is a not-for profit North Carolina telephone membership corporation (TMC) authorized to do business in the State of North Carolina.

3. In 1994 the Commission approved the sale of Randolph's capital stock to RTMC. Since then, Randolph has been operated as a wholly-owned subsidiary of RTMC.

4. Randolph is an ILEC as defined in Section 251(h) of the Communications Act of 1934, as amended, offering telecommunications and exchange access services in the Liberty, North Carolina exchange. As of July 31, 2011, Randolph served approximately 3,575 access lines in the Liberty exchange.

5. RTMC is an ILEC providing local exchange and exchange access services in the Badin Lake, Bennett, Coleridge, Farmer, High Falls, Jackson Creek, and Pisgah, North Carolina exchanges.

6. As successor to Randolph, RTMC will be the ILEC serving the Liberty exchange after the dissolution.

7. RTMC is fit, capable, and financially able to render local exchange telecommunications services in the Liberty exchange.

8. Randolph gave timely customer notice in accordance with the Commission's Order Requiring Customer Notice, and no significant protests were received subsequent to such customer notice.

9. No person or entity petitioned to intervene in this docket within the time provided in the Commission's Order.

10. The public interest will be not be harmed by the dissolution described in the Petition, and the transfer of assets from Randolph to its parent RTMC will promote the continued provision of service to existing customers of Randolph, will result in

various services being made available to those customers at more favorable rates, and will enhance the ability of RTMC to provide reliable and affordable telecommunications services to the residents of this State located in its service area.

**WHEREUPON**, the Commission reaches the following

### **CONCLUSIONS**

Based upon the foregoing, the Commission finds and concludes that Randolph's request to discontinue the provision of service in the Liberty exchange as provided for in G.S. 62-118 should be granted and that Randolph, therefore, should be authorized to transfer its assets and its right and obligation to provide service in the Liberty exchange to RTMC.

The Commission further finds and concludes that Randolph should be authorized to transfer universal service provider responsibility within the Liberty exchange to RTMC. The Commission expects that RTMC will provide service in the Liberty exchange in accordance with the representations, assurances, and commitments made in the Petition and that RTMC will assume Randolph's obligation to provide service as carrier of last resort in the Liberty exchange and that RTMC will seek designation by the North Carolina Rural Electrification Authority as an Eligible Telecommunications Carrier serving the Liberty exchange.

**IT IS, THEREFORE, ORDERED** as follows:

1. That Randolph is authorized to discontinue the provision of service in the Liberty exchange as provided for in G.S. 62-118.
2. That, if it has not already done so, Randolph shall issue all notices described in the Petition and file a copy of such notices with the Commission within 15 days of the date of this Order.
3. That RTMC shall provide written notice to the Commission of the effective date of Randolph's dissolution, within seven (7) business days of that date. Randolph's existing Certificate of Public Convenience and Necessity will be cancelled, as of the effective date of its dissolution.
4. That, upon the effective date of Randolph's dissolution, Randolph's General Subscriber Services Tariff filed with the Commission shall be deemed cancelled and withdrawn. Likewise, on that date, references to Randolph in any other tariffs filed with the Commission shall be deemed removed and withdrawn.
5. That, on or before the effective date of its dissolution, Randolph shall cause an updated version of the Liberty exchange map to be filed with the Commission to reflect transfer of the Liberty exchange to RTMC.

6. That Randolph is granted such other and further authorizations as may be necessary for it to affect the dissolution and transfer described in the Petition.

ISSUED BY ORDER OF THE COMMISSION.

This the 22<sup>nd</sup> day of November, 2011.

NORTH CAROLINA UTILITIES COMMISSION

*Gail L. Mount*

Gail L. Mount, Deputy Clerk

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